



# POLICY DOCUMENT

## ACCOUNTANTS POLICY



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# 1. ABOUT YOUR POLICY

This Policy has been produced by Pen Underwriting Limited a Managing General Agent of the Insurer). The Insurer has delegated authority to Pen Underwriting Limited to underwrite Insurance for You on their behalf.

Your Policy is made up of Sections prepared from a proposal form or declaration or statement of fact provided by You or from Your instructions or any information in connection with this insurance provided to Pen Underwriting or the Insurer or Your insurance adviser.

This policy wording explains the insurance provided under this contract.

Each Section may include terms Definitions Conditions and Exclusions unique to the Section which should to be read in conjunction with the Policy Definitions, Conditions and Exclusions.

An Endorsement forms an addition to the Section and varies the insurance provided by the Section.

The Schedule or Appendix and any Endorsement should be read together for precise details of Your insurance protection.

Please take care to review all documentation carefully to ensure that the information provided accurately reflects Your circumstances and that the cover provided suits Your requirements.

You should pay particular attention to any terms conditions limits and exclusions including endorsements which may require You to take action.

## Duty Of Fair Presentation

This Policy is a contract between You and the Insurer.

**Please read the whole document carefully.** It is arranged in different sections. It is important that

- **You** are clear which sections You have requested and want to be included;
- **You** understand what each section covers and does not cover;
- **You** understand Your own duties under each section and under the insurance as a whole.

Please contact Your broker immediately if this Document is not correct or if You would like to ask any questions.

**Important Notice:** The Insured is required to make a fair presentation of the risk to Insurers.

If the Insured breaches its duty to provide a fair presentation and any such breach was deliberate or reckless, Insurers may regard the Policy as void and are not required to return any paid Premium to the Insured.

If the breach was not deliberate or reckless, Insurers' remedy

shall depend upon what Insurers would have done if the Insured had complied with the duty of fair presentation:

1. Insurers may regard the Policy as void if Insurers would not have entered into the Policy on any terms in the absence of the breach. In this case, the Insurers must return the premium paid.
2. If the Insurers would have entered into the Policy, but on different terms (other than terms relating to premium) the Policy is to be treated as if those different terms applied from the outset, if the Insurer so requires.
3. If the Insurers would have entered into the Policy but would have charged a higher premium the Insurers may reduce proportionately the amount to be paid on a Claim (and, if applicable, the amount already paid on prior claims).

Where: (i) there has been a failure to comply with a term (express or implied) of this Policy, other than a term which defines the risk as a whole; and (ii) compliance with such term would tend to reduce the risk of loss of a particular kind and/or loss at a particular location and/or loss at a particular time, the Insurer cannot rely on the breach of such term to exclude, limit or discharge its liability if You show that the failure to comply with such term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred

If You breach any warranty in this Policy, the Insurer's liability under the Policy shall be suspended from the time of the breach until the time when the breach is remedied (if it is capable of being remedied). The Insurer will have no liability to You for any loss which occurs, or which is attributable to something happening, during the period when the Insurer's liability is suspended.

Authorised Signatory  
Jonathan Turner



## Complaints

At Pen Underwriting, it is always our intention to provide a first class standard of service. However, it is appreciated that occasionally things go wrong. In a majority of cases the agent who arranged the insurance will be able to resolve any concerns and You should contact them directly in the first instance.

Alternatively You can complain by contacting Pen Underwriting Limited (as per the contact details below) quoting Your Policy and/or Claim number. We will investigate Your concerns and provide a response as soon as possible.

Address:  
Pen Underwriting Limited Complaints  
7th Floor Spectrum Building  
55 Blythswood Street  
Glasgow  
G2 7AT

Telephone: 0141 285 3539  
Email: [pencomplaints@penunderwriting.com](mailto:pencomplaints@penunderwriting.com)

You can also contact Your Insurer, contact details can be found in the Schedule.

Should You remain dissatisfied having received a Final Response to Your complaint and You fit the definition of an 'eligible complainant', You may then be able to refer Your complaint to the Financial Ombudsman Service (FOS). Please note that the FOS allow 6 months from the date of the Final Response to escalate Your complaint to them. Further details on eligibility and the referral process can be found on the FOS Website.

Address:  
The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Telephone: 0800 0234567 (for landline users)  
Telephone: 0300 1239123 (for mobile users)  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

## Compensation Scheme

The providers of this insurance as defined in this Policy are covered by the Financial Services Compensation Scheme (FSCS). If they cannot meet their obligations You may be entitled to compensation under this scheme depending on the type of insurance and the circumstances of the Claim

You are covered for 90 per cent of the Claim without any upper limit. However, for compulsory classes of insurance You are covered for 100 per cent of the Claim without any upper limit.

## How To Make A Claim

At Pen Underwriting, we understand that claims form a critical component of our offering the moment the Policy becomes tangible and we are relied upon to deliver upon our commitment to You.

Pen Underwriting have assembled an experienced team who embody our three key principles of:

- 1) **Partnership** – working together to achieve the optimum outcome to the Claim
- 2) **Expertise** – we employ staff and engage service providers who are experts in their field
- 3) **No-nonsense** – we apply a flexible and proactive approach to the claims process

For details on how to notify Your Claim, please refer to Your Schedule.

## The Law That Governs This Policy

Unless the parties have agreed otherwise in writing any dispute concerning the interpretation of this Policy shall be governed and construed in accordance with English law and shall be resolved within the exclusive jurisdiction of the courts of England and Wales.

## Data Protection

Pen Underwriting Limited are the data controller of any personal information you provide to us or personal information that has been provided to us by a third party. We collect and process information about you in order to arrange insurance policies and to process claims. Your information is also used for business purposes such as fraud prevention and detection and financial management. This may involve sharing your information with third parties such as insurers, brokers, reinsurers, claims handlers, loss adjusters, credit reference agencies, service providers, professional advisors, our regulators, police and government agencies or fraud prevention agencies.

We may record telephone calls to help us monitor and improve the service we provide. For further information on how your information is used and your rights in relation to your information please see our Privacy Policy - <https://www.penunderwriting.co.uk/Privacy-and-Cookies>. If you are providing personal data of another individual to us, you must tell them you are providing their information to us and show them a copy of this notice.

## 2. DEFINITIONS

Certain words in this policy have special meanings. These meanings are given below and apply where the words appear in bold.

### Alternate

Any individual practitioner, partnership, limited liability partnership, Isle of Man limited liability company or company who is acting in connection with the arrangements to cover the incapacity or death of a sole practitioner.

### Business

**Your** activities as an accountant including:

- a) advice given or services performed by any **insured** or any person on **your** behalf to a third party irrespective of whether or not a fee is charged provided always that if a fee is charged it will be taken into account in ascertaining **your** income
- b) the provision, sale, licence, lease, amendment or adaptation by the **insured** of any computer software, hardware, solution, package or publication
- c) any appointment as trustee or personal representative or any similar personal appointment accepted in the course of the **business**
- d) any appointment as Company Secretary, registrar or director but only in relation to services performed or advice given by any **insured** in connection with tax matters, secretarial work, share registration, financial advice given to management, book-keeping, management accounting, financial investigation and reports, negotiation and settlement of financial claims, company formations, investments, insurance, pension schemes

### Business partner

Any person in **business** with **you** under the terms of a partnership agreement whether express or implied under legislation.

### Circumstance

Incident, occurrence, fact, matter, act or omission that may give rise to a **claim**.

### Claim

- a) Written or oral demand for or an assertion of a right to civil compensation or civil damages or an intimation of an intention to seek such compensation or damages
- b) complaint or reference to any complaint or reference to any Ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000 (as amended) or the Central Bank and Financial Services Authority of Ireland Act 2004.

### Defence costs

Reasonable costs, disbursements and expenses necessarily incurred by **you** with **our** written consent for:

- a) defending any **claim** or any proceedings relating to any **claim**
- b) conducting any proceedings for an indemnity, contribution, damages or other recovery relating to a **claim**
- c) investigating, reducing, avoiding or settling any actual or potential **claim**
- d) investigating any **circumstance** which is notified to **us** in accordance with the terms of this policy.

### Employee

Any natural person who is:

- a) under a contract of service or apprenticeship with **you**
- b) self-employed
- c) under a work experience or similar scheme
- d) hired or borrowed by **you** from another employer

and working for **you** in connection with the **business** while under **your** direct control or supervision.

### Excess

The amount stated in this policy, schedule or any endorsement in respect of each and every **claim** for which **you** will be responsible

### Extended Policy Period

The period starting from the day immediately following the expiry of this policy and ending with either:

- a) the date you obtain a replacement insurance policy that complies with the provisions of the Professional Indemnity Insurance Regulations of any relevant Institute; or
- b) 30 days from receipt by a relevant Institute of written notice from us of the commencement of the extended policy period.

### Insured

Firm, partnership, unincorporated organisation or the company stated in the schedule as the **insured** and

**your** predecessors including:

- a) any current or former **business partner**, director, **member** or principal or any person who becomes a **business partner**, director, **member** or principal during the period of insurance

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- b) any current or former **employee** or any person who becomes an **employee** during the period of insurance
- c) any person who is or has been under a contract for services with **you** but only in respect of any **claim** arising out of **your business** carried on by that person for **you** or on **your** behalf
- d) the estates and or legal representatives of any person noted under a) b) or c) above in the event of their death, incapacity, insolvency or bankruptcy
- e) any person acting on **your** behalf as an alternate
- f) any retired **business partner**, retired director or retired **member** whilst acting as a consultant to the **insured**.

### Member

A member of **your** limited liability partnership as defined in the Limited Liability Partnerships Act 2000.

### Nuclear Installation

Any installation of such class or description as may be prescribed by regulations made by the

relevant Secretary of State from time to time by statutory instrument being an installation designed or adapted for:

- a) the production or use of atomic energy
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiation
- c) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter being matter which has been produced or irradiated in the production or use of nuclear fuel.

### Nuclear Reactor

Any plant including any machinery, equipment or appliance whether affixed to land or not designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

### Pollution or Contamination

Pollution or contamination of buildings or other structures or of water or land or the atmosphere.

### Qualifying Insurance

The meaning given by the ICAEW Professional Indemnity Insurance Regulations.

### Territorial limits

Worldwide.

### We, Us, Our or Ours

The participating insurance company shown in the schedule.

### You, Your, Yours or Yourselves

The person, people (either acting in partnership or on behalf of an unincorporated organisation) or the company stated in the schedule as the **insured** including **your** predecessors.

## 3. THE COVER

**We** will indemnify any **insured** in respect of any **claim** first made against any **insured** and notified to us during the period of insurance in respect of any civil liability including liability for claimants' costs and expenses arising out of the conduct of the **business** within the **territorial limits**.

In addition to the limit of indemnity **we** will pay **defence costs**.

**Defence costs** and any payment under clauses 3.1, 3.3, 3.4, 3.6 and 3.7 will not be subject to any **excess** unless the **claim** arises from the conduct of **business** which required authorisation by the Financial Conduct Authority.

Where **you** become liable to pay a sum in **excess** of the amount of indemnity available under this policy **we** will pay only the proportion of any **defence costs** that the amount of indemnity available under this policy bears to **your** total liability.

### 3.1 Court Attendance Costs

**We** will also pay **you** the daily rates stated below if any of these people are required to attend court as a witness at **our** request:

- |   |      |
|---|------|
| a) any <b>business partner</b> , director, <b>member</b> , principal or alternate | £500 |
| a) any <b>employee</b>  | £250 |
| b) any other relevant party excluding any expert witness                          | £250 |

**Our** liability will not exceed £25,000 in the aggregate during the period of insurance and this limit will be in addition to the limit of indemnity stated in the schedule.

### 3.2 Criminal or Fraudulent Acts

**We** will also indemnify **you** for **your** own losses which during the period of insurance **you** first discover **you** have sustained by reason of any criminal or fraudulent act or omission of any **employee**.

This clause does not cover any loss where **you** are unable to demonstrate that **you** were operating **your** normal system of check and controls as declared to **us**.

**Our** liability will not exceed £250,000 in the aggregate during the period of insurance and this limit will be in addition to the limit of indemnity stated in the schedule.

### 3.3 First Party Copyright Infringement

**We** will also pay any reasonable costs and expenses necessarily incurred in the issue of any proceedings notified to **us** during the period of insurance for any injunction or for damages for infringement of any copyright vested in **you** provided always that **we** will not be required to incur any obligation to meet such costs where **your** cause of action is not one that is

reasonable to pursue. In the event of any dispute arising between **you** and **us** as to the reasonableness of pursuing any such cause of action the opinion of a Queen's Counsel the appointment of whom will be mutually agreed between **you** and **us** will be obtained and their decision will be binding.

If **you** and **us** cannot agree on the appointment of a Queen's Counsel the chairman of the Bar Council will appoint one.

**Our** liability will not exceed £35,000 in the aggregate during the period of insurance.

### 3.4 Loss of Documents

**We** will also pay reasonable costs necessarily incurred by **you** with **our** prior consent for the restoration or replacement of records associated with the **business** including computer systems records which have been accidentally lost or damaged. Provided always that any computer systems records are backed up no less frequently than once every 7 days or as otherwise agreed by **us** and such backed up records are held at a separate location. This clause does not apply to any negotiable instruments of whatsoever nature.

**Our** liability will not exceed £1,000,000 in the aggregate or the limit of indemnity in the aggregate stated in the schedule whichever is the lesser during the period of insurance and this limit will form part of and not be in addition to the limit of indemnity stated in the schedule.

### 3.5 Ombudsman Awards

**We** will also indemnify **you** in respect of:

- c) any amount paid or payable
- d) the cost of taking any steps which **you** are directed to take

in accordance with any final and binding award or determination of any ombudsman appointed in respect of any case accepted by the ombudsman for review under any recognised scheme applicable to **your business** and which may otherwise be the subject of indemnity under this policy. Provided always that **you** give written notice to **us** as soon as reasonably possible after becoming aware that a case directly affecting **you** is being reviewed by an ombudsman.

Any subsequent or concurrent civil action arising out of any complaint made to the ombudsman hereunder will be deemed to be notified in accordance with condition c)

### 3.6 Representation Costs

**We** will also pay reasonable costs and expenses necessarily incurred by **you** with **our** written consent for representation at any official examination,

inquiry, investigation or other proceedings ordered or commissioned by a body legally empowered to investigate **your** affairs that is first instigated against **you** and notified to **us** during the period of insurance and which may give rise to a **claim** under this policy.

**Our** liability will not exceed £35,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the limit of indemnity stated in the schedule.

### 3.7 Reputation Rebuild Protection

**We** will also cover any reasonable costs and expenses incurred with **our** written consent to employ a public relations consultancy to avert or mitigate any damage to **your** reputation. This cover will only apply where damage to **your** reputation arises out of an act error or omission which results in a **circumstance** or **claim** which is notified to **us** during the period of insurance and for which cover is provided under this policy.

**Our** liability will not exceed £10,000 in the aggregate during the period of insurance.



## 4. EXCLUSIONS

This policy does not cover:

### a) Bodily Injury and Property Damage

liability for:

- a) death, bodily injury, mental injury, sickness, disease, mental anguish or shock sustained by any person other than emotional distress arising from libel or slander
- b) loss of or damage to property other than as provided by sections 3.2 and 3.4

unless arising out of a breach of professional duty due to any negligent act, error or omission committed or alleged to have been committed by any **insured**

### b) Contractual Liability

liability arising from any express warranty, guarantee, , indemnity, waiver,

express agreement given by **you** or any express acceptance by **you** of liability for liquidated damages unless **you** would have been liable even if there had not been any such express warranty, guarantee, indemnity, waiver, express agreement or express acceptance by **you** of liability for liquidated damages

### c) Courts Jurisdiction

- a) any **claim** arising from the conduct of the **business** carried out from any of **your** offices situated in the United States of America or Canada or territories under their jurisdiction
- b) any **claim** which is the subject of proceedings brought in any court of the United States of America or Canada arising from **business** carried out from any of **your** offices situated outside of the United States of America or Canada or territories under their jurisdiction. Provided always that this exclusion will not apply if there was no reasonable basis for **you** to believe or suspect there was any prospect of such proceedings arising from the conduct of the **business**. Where there is cover available under this policy because the proviso has disapplied this Exclusion 4b), then (but only to the extent of such cover) the terms of this insurance will be modified as follows:
  - i) **our** liability will not exceed the limit of indemnity in the aggregate during the period of insurance and this limit will form part of and not be in addition to the limit of indemnity stated in the schedule
  - ii) the limit of indemnity will include **defence costs**

In addition, this policy does not cover any liability arising from:

- i) any **pollution or contamination** of any kind

- ii) any actual or alleged violation of any responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 or any amendment thereof
- iii) any actual or alleged violation of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934 or any similar federal or state law or any common law relating thereto
- iv) any actual or alleged violation of the Racketeer Influenced and Corrupt Organisation Act 18 USC Section 1961 ET SEQ and any amendments thereto or any Rules or Regulations announced thereunder

### d) Criminal Acts

liability arising out of any dishonest or fraudulent acts, errors or omissions committed or condoned by the **insured**.

Provided always that:

- a) in the event of a loss being sustained as a result of any dishonest or fraudulent act or omission the amount of indemnity under this policy will be reduced by an amount equal to the sum of any:
  - i) monies owed by **you** to any person committing, condoning or contributing to the dishonest or fraudulent act or omission and/or
  - ii) any **defence costs** already paid to the **insured**
- b) no dishonest or fraudulent act or omission will be imputed to a body corporate unless it was committed or condoned by, in the case of a company, all directors of that company, or, in the case of a Limited Liability Partnership, all **members** of that Limited Liability Partnership or to a partnership unless it was committed or condoned by all of the **business partners**
- c) this exclusion will not apply until such **insured** admits to **us** that they did commit or condone such dishonest or fraudulent act or omission or a final and unappealable judgment or adjudication establishes that such **insured** committed or condoned such dishonest or fraudulent act or omission

### e) Directors' and Officers' and Trustee Liability

liability while any **insured** is carrying out the duties of:

- a) a director or officer of **you** or any other body corporate
- b) a trustee of any pension fund or any other employee benefit scheme

except in respect of the performance of the **business**

### f) Employment

liability arising out of:

- a) death, bodily injury, mental injury, sickness, disease, mental anguish or shock of any **business partner**, director, **member**, principal or **employee** while in the course of their employment with **you**
- b) any obligation owed by **you** as an employer or potential employer to any director or **employee** or applicant for employment
- c) any express or implied terms of a partnership agreement or membership agreement

**g) Financial Return of Investments**

liability arising out of the giving of any express or implied warranty or guarantee relating to the financial return of any investment

**h) Goods and Services**

liability arising from any contract or arrangement for the supply to or use by **you** of goods or services

**i) Nuclear and War Risks, Government or Public Authority Order and Sonic Bangs**

death, injury, disablement or loss or damage to any property or any loss or expense resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

- a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, nuclear reactor or other nuclear assembly or nuclear component thereof
- c) any weapon employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this exclusion d) will not apply to radioactive isotopes other than nuclear fuel when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other peaceful purposes
- e)
  - i) war, invasion, act of foreign enemy, hostilities whether war be declared or not, civil war, rebellion, revolution, insurrection, military or usurped power
  - ii) nationalisation, confiscation, requisition, seizure or destruction by any government or public authority
- f) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

**j) Pollution or Contamination**

liability arising directly or indirectly out of pollution or contamination other than where liability arises from any actual or alleged breach of professional duty in the performance of or failure to perform the **business**

**k) Prior Circumstances and Claims**

liability arising from:

- a) any **circumstance** that was notified by **you** under any other insurance policy prior to inception of this policy. Provided always that in the event that any **circumstance** is notified to **us** and **you** had knowledge prior to the period of insurance stated in the schedule of such **circumstance** and **you** should have notified it under any previous policy **we** will not seek to exclude any **claim** arising out of such **circumstance** but the indemnity provided under this policy will be limited to the indemnity which would have been provided under the earliest such previous policy if such policy had been properly notified
- b) any **claim** that has been notified by **you** under any other insurance policy prior to inception of this policy

**l) Products**

liability arising out of any defect in, lack of fitness of or failure to conform with description of goods sold or supplied by any **insured** or subcontractor.

Provided always that this exclusion will not apply to any activities undertaken in respect of the provision, sale, licence, lease, amendment or adaptation by the **insured** of any computer software, hardware, solution, package or publication

**m) Property and Transport**

liability arising out of the ownership, possession or use by **you** or on **your** behalf of any land, building, aircraft, watercraft, mechanically propelled vehicle or trailer

**n) Punitive damages or Fines**

any amount in respect of:

- a) penalties or fines
- b) punitive or exemplary damages

Provided always that this exclusion will not apply to:

1. any **claim** relating to any actual or alleged defamation arising out of the conduct of the **business**
2. indemnity provided under section 3.6

**o) Terrorism**

loss, damage, consequential loss, cost or expense

directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with:

- a) any act or preparation in respect of action or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group whether acting alone or on behalf of or in connection with any organisation or government de jure or de facto and which:
  - a) involves violence against one or more persons
  - b) involves damage to property
  - c) endangers life other than that of the person committing the action
  - d) creates a risk to health or safety of the public or a section of the public
  - e) is designed to interfere with or to disrupt an electronic system
- b) any action in controlling, preventing, suppressing, retaliating against or responding to any act or preparation in respect of action or threat of action described in a) above.

In any action or suit or other proceedings where **we** allege that by reason of this exclusion cover is not provided under this policy the burden of proving that cover is provided under this policy will

be upon **you**

**p) Trading Losses**

liability arising out of any trading loss or liability incurred by **you** or any **business you** manage provided always that this exclusion will not apply to any **claim** made against **you** for negligence in the normal course of **your** conduct of any receivership or procedures under the Insolvency Act 1986 or the Insolvency (Northern Ireland) Order 1989 or in the Republic of Ireland any receivership or insolvency procedures under the Companies Acts 1963 to 2005 or the Bankruptcy Act 1988.

## 5. PROVISIONS

### 1. Contracts (Rights of Third Parties) Act 1999

For the purposes of the Contracts (Rights of Third Parties) Act 1999 this policy is not enforceable by any third party.

### 2. Discharge of Liability

**We** may at any time pay in connection with any **claim** the maximum amount payable under this policy after deduction of any sum already paid in respect of such **claim** or any lower amount for which the **claim** can be settled and then relinquish the conduct and control and be under no further liability in respect of the **claim** except for the payment of **defence costs** incurred with **our** written consent prior to the date of such payment.

### 3. Extended Policy Period

This policy will be extended by the extended policy period where you have not prior to the expiry of this policy obtained **qualifying insurance** incepting on and with effect from the day immediately following the expiry of this policy.

### 4. Joint Liabilities

If the **insured** comprises more than one party **we** will indemnify each party as though a separate policy had been issued to each of them provided always that the total amount of indemnity to all such parties will not exceed the amount payable if the **insured** comprised only one party and in any event will not exceed the limit of indemnity stated in the schedule.

### 5. Limit of Indemnity

The limit of indemnity stated in the schedule is **our** monetary limit and applies to any one **claim**.

All claims against any one or more of the **insured** arising from:

- a) one act or omission
- b) one series of related acts or omissions
- c) the same act or omission in a series of related matters or transactions
- d) similar acts or omissions in a series of related matters or transactions
- e) one matter or transaction

will be regarded as one **claim**. All such claims will be considered first made on the date upon which the earliest **claim** is first made.

### 6. Queen's Counsel

If **you** and **us** cannot agree a common course of action with regard to contesting any legal proceedings

the dispute will be resolved by reference to a Queen's Counsel or similar authority to be agreed upon by **you** and **us** whose decision will be binding on both parties.

If **you** and **us** cannot agree on the appointment of a Queen's Counsel one will be appointed by the Chairman for the time being of the Bar Council. The costs of such an exercise will be allocated by the agreed or appointed party on a fair and equitable basis.

### 7. Run Off Cover

If **you** cease during or on expiry of this policy or if applicable the extended policy period **we** will provide runoff cover in accordance with the Professional Indemnity Insurance Regulations for a minimum of 2 years from the date of cessation. The provision of run-off cover may be conditional on payment of an additional premium by a specified date. In the event that run-off cover does not incept for reasons of non-payment **we** will give notice to the relevant Institute within 7 days and **you** will be deemed to consent to such notification being made.

### 8. Sanctions

Pen Underwriting Limited (Pen) is committed to complying with financial and trade sanctions legislation and export controls (Sanctions) in the United Kingdom, the European Union, United Nations and United States of America as well as the applicable Sanctions laws and regulations in the jurisdictions in which we operate. This requirement is also extended to any brokers and coverholders who undertake any insurance intermediation activity in relation to this policy.

To comply with Sanctions, Pen cannot place, provide insurance cover or make any payment in circumstances where it would be a considered a breach of Sanctions. We may be required to take actions such as freezing the funds of parties subject to Sanctions, not performing claims handling activities, and making licence applications or notifications to relevant regulators.

Other third parties Pen deals with, such as financial institutions, may also apply their own policies or restrictions. Pen reserves the right to take steps to comply with Sanctions and we will not be liable to you for this or for similar steps taken by third parties.

## 6. CONDITIONS

Compliance by **you** with any rules, requirements, directions or guidance of any Ombudsman appointed under the provisions of the Financial Services and Markets Act 2000 or the Central Bank and Financial Services Authority of Ireland Act 2004 will not constitute a breach of any condition of this policy.

### a) Arbitration

Any dispute between **you** and **us** arising out of and in connection with this policy will be referred to a sole arbitrator who will be agreed between **you** and **us** or failing such agreement will be selected at the request of either **you** or **us** by the President for the time being of The Institute of Chartered Accountants in England and Wales, The Institute of Chartered Accountants of Scotland or the Institute of Chartered Accountants in Ireland as applicable. The arbitrator's decision will be final and binding on **you** and **us**.

Alternatively such dispute may at **your** request be subject to the exclusive jurisdiction of the courts of the country of The Institute of Chartered Accountants in England and Wales, The Institute of Chartered Accountants of Scotland or the Institute of Chartered Accountants in Ireland as applicable. In no event will **you** be entitled to exercise this option more than 21 days after **we** have served a notice of arbitration.

In the event of any dispute in respect of **our** liability to indemnify **you** including but not limited to a dispute as to the policy year under which any **circumstance** or **claim** should fall to be dealt with between **us** and any other insurer subscribing to a policy corresponding to this policy in a previous period of insurance **we** will indemnify **you** pending resolution of such dispute in respect of:

- a) all sums which **you** become legally liable to pay as damages and claimant's costs and expenses and **defence costs** in respect of a **claim** arising out of the conduct of the **business** within the **territorial limits** in respect of **your** civil liability; and
- b) section 3.5 of this policy

In the event that any of the provisions in condition a) may fail and/or for the purpose of any application under the Arbitration Act 1996, the courts of the country of The Institute of Chartered Accountants in England and Wales, The Institute of Chartered Accountants of Scotland or the Institute of Chartered Accountants in Ireland as applicable will have exclusive jurisdiction.

### b) Cancellation

This policy may not be cancelled except if **you** and **us** agree in writing.

In the event of such agreement **we** will within 7 days of the date upon which such agreement is reached write to:

- a) **you** at the address stated in the schedule notifying **you** that the policy will be cancelled with effect from a date not less than 30 days after the date of such agreement
- b) the relevant Institute being The Institute of Chartered Accountants in England and Wales, The Institute of Chartered Accountants of Scotland or The Institute of Chartered Accountants in Ireland notifying it of the agreement, **your** name and the effective date of cancellation.

### c) Claims Procedures

#### a) Your Responsibilities

It is agreed that:

- i) **you** will give notice to **us** in writing as soon as reasonably possible:
  - 1) when a loss is incurred under section 3.2 of this policy or on receiving verbal or written notice of any **claim**
  - 2) the discovery of or reasonable cause for suspicion of dishonesty or fraud by any former or present **business partner**, director, **member**, **employee**, consultant, sub-contractor or **alternate** of the **insured** during the period of insurance whether giving rise to a **claim** under this policy or not
- ii) when **you** first become aware of any **circumstance you** will give notice to **us** in writing as soon as is reasonably possible and in any event not later than the last day of the period of insurance
- iii) **you** will provide full particulars including all material facts, dates and persons involved and in the case of notification of a **circumstance** the reasons for anticipating that it is by definition a **circumstance** as defined in this policy
- iv) at **your** own expense and as soon as reasonably possible supply full details of the **claim** in writing to **us** together with any evidence and information that may be reasonably required by **us** for the purpose of investigating or verifying the **claim** and keep **us** up to date with any future evidence and information received by **you** or reasonably required by **us**
- v) no settlement, admission of liability, denial of liability, payment or promise of payment will be made to a third party without **our** written consent
- vi) following liability or loss arising out of

any criminal or fraudulent act, error or omission if **we** so request **you** will take all reasonable steps to effect recovery from any person committing or condoning or knowingly participating in such criminal or fraudulent act or omission or from their personal representatives.

b) **Your Rights**

**You** will be entitled to any and all information or documentation regarding the defence, investigation or settlement of any **claim** or the investigation into any **circumstance** as **you** may reasonably request from **us**.

c) **Our Rights**

**We** will:

- a) be entitled to take over and conduct the defence or settlement including the appointment of legal counsel of any **claim** made against any **insured** and they will give all assistance as may be reasonably required by **us**; and
- b) be entitled to take the benefit of any rights of any **insured** against any other party before or after any **insured** has received indemnification under this policy and they will give all assistance as may be reasonably required by **us**.

Provided always that **we** will not exercise such right of subrogation in **your** name against any **insured** except against a person who is included under section 2 definition **Employee** b) and d) where such person has not been notified to **us**; and

- c) treat any **circumstance** notified during the period of insurance which subsequently gives rise to a **claim** after the period of insurance as a **claim** first made during the period of insurance.

d) **Compliance with Minimum Terms**

The cover provided under this policy will notwithstanding any policy wording to the contrary be in every respect no less favourable than the approved policy wording as defined in the Professional Indemnity Insurance Regulations from time to time issued by the Institute of Chartered Accountants in England and Wales, The Institute of Chartered Accountants of Scotland or The Institute of Chartered Accountants in Ireland as applicable in force at the date of the inception of this policy and on any renewal of this policy.

Where the period of insurance exceeds 18 months the Approved Minimum Wording will be deemed to incorporate any amendments including minimum limits of indemnity or

maximum amounts of excess made subsequent to the inception of this policy.

e) **Contractual Right of Renewal (Tacit)**

If **you** pay the premium using **our** direct debit instalment scheme **we** will have the right which **we** may choose not to exercise to renew this policy each year and continue to collect premiums using this method. **We** may vary the terms and conditions of this policy including the premium at renewal.

If **you** do not wish to renew this policy **you** or **your** insurance intermediary must notify **us** prior to the next renewal date.

1. **Fraudulent claims**

If **you** or anyone acting on **your** behalf:

- a) Makes a fraudulent or exaggerated claim under this policy; or
- b) Uses fraudulent means or devices including the submission of false or forged documents in support of a claim whether or not the claim itself is genuine; or
- c) Makes a false statement in support of a claim whether or not the claim is itself genuine; or
- d) Submits a claim under this policy for loss or damage which **you** or anyone acting on **your** behalf or in connivance with **you** deliberately caused; or
- e) Realises after submitting what **you** reasonably believed was a genuine claim under this policy and then fails to tell **us** that **you** have not suffered any loss or damage; or
- f) Suppresses information which **you** know would otherwise enable **us** to refuse to pay a claim under this policy

**We** will be entitled to refuse to pay the whole of the claim and recover any sums that **we** have already paid in respect of the claim.

**We** may also notify **you** that **we** will be treating this policy as having terminated with effect from the date of any of the acts or omissions set out in clauses a) to f) of this condition.

If **we** terminate this policy under this condition **you** will have no cover under this policy from the date of the termination and not be entitled to any refund of premium.

If any fraud is perpetrated by or on behalf of an **insured** and not on behalf of **you** this condition should be read as if it applies only to that **insured's claim** and references to this policy should be read as if they were references to the cover effected for that person alone and not to the policy as a whole.

**f) Other Insurances**

If at the time of any **circumstance** or **claim** there is any other insurance effected by or on behalf of any **insured** providing an indemnity in respect of such **circumstance** or **claim** our liability will not be reduced or excluded. This condition does not affect **our** right to **claim** contribution from any other insurer which also provides any **insured** with an indemnity in respect of such **claim**.

**g) Payment by Instalments**

Reference to the payment of premium includes payment by monthly instalments. If **you** pay by this method this policy remains an annual contract and the date of the payment and the amount of instalments are governed by the terms of the credit agreement. If an instalment is not received by the due date then subject to the Consumer Credit Act 1974 if applicable the credit agreement and this policy will be cancelled immediately.

**h) Prejudice**

Where **you** have not complied with any condition of this policy and in **our** reasonable opinion **you** have prejudiced the handling of or the settlement of any **claim** the amount payable in respect of such **claim** including **defence costs** will be reduced to such an amount as in **our** opinion would have been payable in the absence of such prejudice.

**i) Sole Agent**

It is agreed that:

1. if the **insured** comprises more than one party the person, company or entity set out as **you** in the schedule will act for itself and be deemed to act as the sole agent for the **insured**.

All parties comprising the **insured** are deemed to have consented and agreed that rights of action under this policy are not assignable except with **our** prior written consent

2. **you** have the sole right to file notice or proof of loss or make a **claim**
3. **you** have the sole right to bring legal proceedings arising under or in connection with this policy
4. knowledge possessed or discovery made by any person, company or entity forming part of **you** or by any **business partner**, director, **member**, principal or alternate or officer, departmental head or other senior manager or the equivalent thereof will be deemed to constitute knowledge possessed or discovery made by all other persons, companies or other entities forming part of **you**.

## 7. HELPLINE SERVICES

To provide ongoing assistance to **your business** we have arranged five specialist helplines with DAS Legal Expenses Insurance Company Limited (DAS).

These DAS helplines provide confidential professional advice to **your business** 24 hours a day\*.

### Health and Medical Information Service – 0344 893 0858

DAS will provide information on general health issues and advice on a wide variety of medical matters such as lifestyle changes, medication and travel health.

Between the hours of 7pm and 9am DAS will take a recorded message and a health and medical adviser will contact any **business partner**, director, **member**, principal or **employee** the next day or at an agreed time.

Unfortunately no explanations about diagnosis or prescription can be offered.

### Legal Advice – 0344 893 0858

The DAS legal advice team give clear, practical and helpful advice on any legal matter affecting **your business** under the laws of the members of the EU, the Isle of Man, the Channel Islands, Switzerland and Norway. Advice typically includes **your** legal rights and the course of action available to **you**.

While unusual or particularly complex issues can be researched equally the team will advise if it is necessary for **you** to instruct a lawyer.

If DAS deems further legal advice necessary or advises that **you** should instruct a lawyer these costs will be **your** responsibility.

### Tax Advice – 0344 893 0858

Confidential advice on any tax matters affecting **your business** under the laws of the England and

Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands.

If DAS deems further advice necessary outside of that provided by this advice line any costs incurred will be **your** responsibility.

### Counselling Service – 0344 893 9028

Confidential counselling for any **business partner**, director, **member**, principal or **employee** and **members** of their immediate families who permanently reside with them including where appropriate onward referral to relevant voluntary or professional services. DAS counsellors will help clarify the problem, explore available options and offer support.

All calls to this helpline are treated in the strictest confidence and are not recorded.

### Business Assistance – 0344 893 0858

In the event of any unexpected damage or emergency that affects **your business** premises, this national helpline gives **you** access to a list of vetted repairers and contractors.

All costs of assistance provided by the repairers and contractors will be **your** responsibility.

These helplines are provided by DAS. If **you** have a complaint about the service or about the way **you** have been treated, please write to: DAS Customer Relations Department at: DAS House, Quay Side, Temple Back, Bristol BS1 6NH.

Alternatively **you** can contact DAS by telephone on: 0117 934 0066, or email: [customerrelations@das.co.uk](mailto:customerrelations@das.co.uk)

To help check and improve service standards calls are recorded other than calls to the Counselling Service.

\*Helplines will be available during the period of insurance. We accept no responsibility for the availability of the helplines or any advice given in relation to the helplines. By using these services you and others using the services are agreeing to calls being recorded other than calls to the Counselling Service





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